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Maine Developments, March & April 1964

Maine Department of Economic Development

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MAINE

DEVELOPMENTS

Department of Economic Development

• Augusta, Maine •

Standish K. Bachman, Commissioner

Vol. 3 No. 2

March-April, 1964

To Him Who Hath

The almost simultaneous announcement of construction plans for two new chemical plants in widely-separated Maine locations recently reaffirmed the wisdom of the old Maine saying: "Them what has, gits."

Company executives and state officials, both, credited the current large expansion programs of Maine pulp and paper companies for the proposals of the Allied Chemical Corp. to build a soda ash plant in the Livermore Falls area and the Diamond Alkali Co. to open a chemical plant for production of chlorine and caustic soda, near Bangor.

These products are used extensively in paper manufacture.

Governor Reed commented that the Diamond Alkali announcement: "gives added emphasis that our pulp and paper industry is on the march" and he praised "the outstanding leadership demonstrated by our Maine industrial and utility executives who furnished this opportunity to create more jobs for Maine workers."

Robert N. Haskell, president of the Bangor Hydro-Electric Company, said not one, but three, large chemical companies had been in contact with his company regarding plant locations near Bangor. He said that available plant sites in Bangor, Brewer, Old Town and Veazie had been visited by representatives of these companies.

A WELCOME SWITCH

Commissioner Bachman of the Department of Economic Development termed the Allied Chemical announcement a classical example of what he has said on previous occasions: "Our best prospects are those which we might consider to be related industries. They come here and find customers at their front doorsteps."

For years, Maine industrial development agents have argued that "Maine is just an overnight trip by truck from New York." Still, the notion that Maine is "too far away" has been one of the most difficult of

misconceptions to overcome in the efforts to bring new industry to Maine.

And so it is that the present instance is a decided switch from the normal state of affairs, and a most welcome one. Two of the nation's leading chemical manufacturers have announced intentions to build plants here *because their markets are right here in Maine*:

ALLIED CHEMICAL

Allied Chemical Corporation's sales in 1963 totalled almost one billion dollars; its net income was \$72,237,438. The Solvay Process Division, which will operate the soda ash plant in Livermore Falls, now operates eight soda ash plants in the U. S.

It was understood that the Livermore Falls plant would cost approximately \$3-\$4 million, perhaps more, and would employ 60-100 when it begins operation "before the end of 1965."

(Continued on Page Two)

In Them Thar Hills

There's no gold rush on in the State of Maine at the moment. None is expected this year. Or next.

But there is more interest in mineral exploration and resource development in Maine now than there has been for several years, and Maine activities in this field now surpass those of all the other New England states combined. And, if you want to, you can include New Jersey and southern New York State.

Several large American and Canadian mining companies are exploring the commercial potential of copper, lead, zinc and nickel prospects in several locations in Maine.

Geophysical surveying supported by a two year program of diamond drill prospecting in western Knox County have blocked out a substantial tonnage of nickel-copper ore and a loan application has been submitted

to the ARA for funds to prospect and develop the ore body further.

Another tentative program in Knox County would see construction of the first new lime kiln in New England in many a long year. This is the result of detailed geologic studies and analysis work on limestone bodies within the county.

A Canadian mining company is scheduled to begin sinking a shaft for a copper and

(Continued on Page Three)

MAINE LEADS N. E.

Maine, with a two per cent increase over 1962, led the New England states in increase of manufacturing earnings for 1963.

But the New England region, with a one per cent average, was far below the 6.3 per cent average increase for the nation, according to *Maine Business Indicators*, published by the Center for Economic Research at Bowdoin College.

At \$81.39 per week, the average earnings of Maine production workers were about 20 per cent below the 1963 national average, *Indicators* said, and the average increase was below the nation's.

However, *Indicators* pointed to an improved Maine vacation business in 1963, with a 4.7 per cent rise in taxable sales in recreation areas and attendance figures at tourist attractions up nine per cent, with significant increases in the numbers of visitors to parks and camp grounds.



SKI-STAKES WINNER

A New Hampshire skier was Grand Prize winner in the Ski Maine Association's "Ski-Stakes," winding up a three-months winter sports promotion aimed at focusing attention on Maine's growing ski industry.

James E. Thayer, Jr. of Farmington, New Hampshire (in nearby picture) was presented the keys to a Jaguar XK-E sports coupe by Miss Maine, Elaine Ouellette of Lewiston, at ceremonies in Portland, hosted by the Department of Economic Development and attended by Governor Reed, Commissioner Bachman, newsmen, Maine ski area operators and others.

The "Ski-Stakes," sponsored by the Association, with the promotional cooperation of the Vacation Travel Division of DED, was open to all skiers living in Canada and the United States, except legal residents of Maine. Nearly 10,000 official entry blanks were deposited at the state's major participating ski areas.

In Them Thar Hills (Continued)

zinc mine in Hancock County late this year. Granite quarries are operating in several areas of Maine. There's a slate mine operating in Monson. Extensive glacial marine clay deposits in southern York County are as good or better than any in New England and could well support a light weight aggregate and construction block industry of considerable proportions, the Maine State Geologist has reported.

The State Geologist has suggested a plan to capatilize upon abandoned feldspar quarries in Oxford County by making them available to rockhounds, who make a hobby of collecting semi-precious gems.

CANADIAN IMPETUS

What started all this activity?

Well, discoveries of extensive highgrade bodies of copper and zinc in New Brunswick in the mid-1950's raised the question: "Why should these occurrences stop at the international border? Why shouldn't they continue on into Maine?"

Several desultory explorations were conducted in Washington and Hancock Counties, but they were unsuccessful. They ended during the business recession of 1957.

Meanwhile, the 99th Maine Legislature in 1955 had created what is now known as the Department of Economic Development. One of the five fingers of the new department is the Division of Geologic Survey, with a State Geologist as director.

The U. S. Geologic Survey and the Maine Geologic Survey have been amassing information about the geology of Maine for years. In effect, they have been taking inventory of the kind of rock which occurs in Maine, and where it lays. Under its first director, John R. Rand, the activities of the Maine Survey were intensified.

In 1959 Rand's successor, State Geologist Robert G. Doyle, began to emphasize what he calls "economic geology," which involves the locating of ore deposits and bringing them to the attention of individuals and companies which might be interested in mining the ore. The development of mineral resources, in other words.

PROGRAM PAYS OFF

This program is beginning to pay off. A few examples:

An International Nickel Co. engineer spent a week in Augusta recently, studying Geologic Survey maps in the DED office.

Noranda Mine, Ltd., of Toronto, is exploring nickel bodies in eastern Washington County.

Anaconda Copper Co. is exploring copper prospects in northwestern Maine.

Denison Mines Ltd., of Canada, or a subsidiary, is scheduled to begin mining in Blue Hill, Hancock County, this summer. The location contains copper, lead, zinc, gold and silver — all in economic percentages. Construction will cost an estimated \$3-\$4 million. The mine would employ approximately 200, with an annual payroll in the neighborhood of \$1,000,000.

Roland F. Beers, Inc., Alexandria, Va., has been drilling in exploration of a nickel deposit in Union, Knox County, for about six years; has applied for an ARA loan to develop the body, which is believed to be a big one.

Diatomaceous earth of high quality is available in commercial quantities in Washington and Hancock Counties, and has been mined in a limited fashion. A substantial operation is believed to be feasible.

A limestone quarry in Union, formerly operated by the Great Northern Paper Company was purchased by Harold Kaler and

Colby Praised

"Colby College should be proud" of the "Maine and Its Artists" exhibit which ran for six weeks at the Whitney Museum in New York, one of the museum staff members commented at the close of the exhibit March 22. Average attendance was 750 per day, with as many as 1500 viewers on peak days.

has been worked by him as a source of agricultural lime for three years. However, the State Geologist has indicated that the stone is of unusually high quality and in sufficient quantity to justify a kiln to produce chemical lime, used in great quantities in steel making and other industries.

Other limestone product producers in Knox County are the Dragon Cement Co. and Rockland-Rockport Lime Co., Inc., which have been operating for years.

And there are at least two high calcium limestone bodies near Presque Isle whose products would be useful to an Aroostook County beet sugar mill.

Maine granite quarries are presently operating in York County (2), Somes Sound, Frankfort, Franklin, Stonington, Clarks Island, to name some. A Machias quarry produces crushed granite or terrazzo and South Paris has 3 feldspar mines operating.

NEW INDUSTRY FEASIBLE

The State Geologist, Doyle, has urged construction of a light weight aggregate plant to utilize the almost unlimited quantities

The collection of some 80 paintings of Maine artists, many produced prior to Maine's becoming a state, was arranged for Colby's sesquicentennial observance in Waterville last summer, and contains a few sculptures.

Critics were kind.

ities of glacial marine clay of suitable quality in southern York County. A plant which would produce 100,000 tons per year would cost about \$600,000.

Lightweight aggregate reduces the weight of concrete by about one-third when used as a substitute for sand and gravel. It is produced by the extrusion of clay pellets of uniform size; expanding and hardening them by high temperature.

Lightweight aggregates are used almost exclusively in concrete construction in California, Doyle said, but only to the extent of about 10-15 per cent in New England, due to transportation costs from New York and Pennsylvania, nearest sources.

Doyle said the clay aggregate would be competitive with slag and shale products and that a southern Maine plant could expect to find markets in Maine, southern New Hampshire and eastern Massachusetts.

Another clay product Doyle would like to see produced in Maine is brick building blocks, which are replacing the heavier concrete blocks in some other states. Decorative glaze could be applied with feldspar mined in Maine.

State's Salesmen

Governor Reed and Commissioner Bachman swapped back and forth from business suits to waiters' uniforms during a whirlwind tour to promote Maine food products, recreation and industrial potential in Cleveland and New York.

In the nearby picture the Governor (center) and Bachman helped serve a Maine products dinner to 92 food editors and buyers as a highlight of "State of Maine Day" at the American-Canadian Sportsmen's Vacation and Boat Show in Cleveland. The Departments of Sea and Shore Fisheries and Agriculture and the Maine Potato Commission and Maine Sardine

Council cooperated with the Department of Economic Development in providing the dinner.

The DED sponsored a Maine booth at the Cleveland Sportsmen's Show. Maine maintains a tourist information bureau in conjunction with the other New England states, in Cleveland.

In New York the Governor and the Commissioner interviewed industrial executives, selling the Maine industrial potential, and were hosts at a dinner attended by 55 travel, recreation and outdoor editors and writers, sponsored by DED.



To Him Who Hath (Continued)

Wilbur Brumfield, head of the Solvay Process Division, said that several Maine paper companies had indicated their purchases from the company would warrant plant construction here. "Freight rates are high from Syracuse (nearest Solvay Process Division plant) to Maine and we've always wanted to build a plant in your state. The Maine paper company expansions have made this possible."

Governor Reed and Commissioner Bachman were in the company's New York office some weeks ago seeking to interest the company in locating a plant in Maine. The Allied Chemical Corp., with something like 100 plants and research laboratories in this country and Canada, is one of the largest domestic chemical enterprises and the largest producer of alkali. Its range of products is extremely diversified and it has many subsidiaries and affiliates.

DIAMOND ALKALI

The Diamond Alkali Company, which started with one plant in Painesville, Ohio in 1911, has become the world's third-largest producer of caustic soda, with 18 plants in the United States and others in Mexico, France, Brazil, and one now under construction in Colombia. Its sales of more than 200 chemical products totalled \$160,000,000 last year. Headquarters of the company are in Cleveland, Ohio.

A Diamond Alkali Co. plant similar to the one planned for the Bangor area was recently completed in Mobile, Alabama at a cost of approximately \$10 million.

"By locating our plant in the Bangor area we will be able to supply a large core of industries within a relatively few miles," observed H. B. Clark, marketing director of the Industrial Chemicals Division of the Diamond Company, which will operate the new Maine plant. "At the same time, our immediate location will appreciably reduce railroad freight rates of our products to our customers."

Chlorine, which is to be one of the new plant's products, is used for bleaching paper and textiles, in water purification, and in the manufacture of drugs and chemicals. Caustic soda, the other product, is important in the manufacture of paper, petroleum, textiles, aluminum and chemicals.

SOME QUESTION

While the theme of this essay remains valid — namely, the demonstrated drawing power of existing Maine industry in bringing new industry to the state — it is not certain, as this is written, that Maine will gain TWO sizeable new chemical plants this year.

Clark, shortly after the Allied Chemical announcement, said: "The announcement by Allied Chemical, which we didn't know about when we made our announcement, will certainly have some bearing on whether we (Diamond Alkali Co.) take up our option" on the land at the proposed plant location.

GEOLOGIC MAPS

Four new aeromagnetic maps which indicate areas of interest for base metal exploration in Oxford and Franklin Counties are available, at cost, at the office of State Geologist Robert C. Doyle, Department of Economic Development.

Vocational Training Expansion

Maine will spend nearly \$5 million in expansion of two existing vocational-technical institutes and creation of two new ones, if a preliminary six-year capital improvement program approved by the State Board of Education receives legislative endorsement.

Under the approved program the Maine Vocational Technical Institute, South Portland, would receive \$1,250,000 for new buildings, additions to buildings and equipment; Northeastern Maine Vocational Institute, Presque Isle, \$2,084,000; Androscoggin State Vocational Institute, Auburn, \$720,000 (for a wing to the building for which \$640,000 already is available); and \$850,000 for the Penobscot County Vocational School for construction of the first

building to begin in 1966.

A site has not been chosen for the Penobscot County School. A Bomarc missile site in Bangor, soon to be deactivated, has been suggested.

"The State Board's action . . . should be a warning to Maine citizens that they will have to dig deep to finance the expansion of educational facilities in the next few years," the *Portland Press Herald* editorialized. "As the nation moves deeper and deeper into the age of automation, everyone is beginning to realize that crafts and skills will be essential for jobholders of the future."

"And so regular schooling is not enough. The State can anticipate a full house at every one of the institutes as fast as they are put into operation."

BAC EARNINGS ZOOM

Non-recurring and special transactions, including profits on securities sales, produced a phenomenal rise in Bangor and Aroostook Corp. earnings for 1963. Net income per share of common stock was \$2.31, compared with 42 cents in 1962. Net income of \$1,105,746 compared with \$194,749 for 1962.

All of the corporation's five subsidiary companies met expectations in 1963, a corporation spokesman said and two of them earned substantially more than in 1962. The subsidiaries include the Bangor and Aroostook Railroad, Bartlett-Snow-Pacific, Inc., Henry Luhrs Sea Skiffs, Inc., Bale Pin Co. and Goal Credit Corp.

W. Gordon Robertson, president, predicted shipments from Aroostook County's five frozen food plants will increase from 1,100 cars in 1962 to 2,400 in 1964. The railroad's revenues increased 4.5 per cent in 1963.

STEEL-PLASTICS MERGER

Bancroft & Martin, Inc., one of Maine's largest steel fabricators, has entered the plastics fabrication field with the purchase of Fegley Engineering Co., Inc. Both companies are located in South Portland.

The steel firm's president, William E. Clark, said that the acquisition will be expanded and operated as the Plastics Division of Bancroft & Martin, and will add strength to his company "through diversification into the fast growing plastics industry of Maine." James C. Fegley, who founded Fegley Engineering in 1961 will manage the plastics division.

Products will include plastic tanks, ducts, pipes, ventilation hoods and allied products. Bancroft & Martin operates a concrete pipe division at North Leeds and a steel fabrication plant at Brewer in addition to its main plant at South Portland.

Small Shipments Eliminated

The Maine Central Railroad went out of the small package forwarding business with the announcement that it would not forward shipments of less than 4000 pounds out of state after April 14. Intrastate small shipments were abandoned in 1958.

A railroad spokesman said that competition from truckers, parcel post, REA Express and freight forwarders had made handling of small shipments unprofitable for the road. In 1963 this traffic totalled only 12,000 tons, one-sixth of one per cent of total tonnage.

The Railway Express Agency has petitioned the Public Utilities Commission for over the road rights to cover points previously serviced by railway express cars.

ANNUAL REPORT

While the year 1963, in itself, was termed a "disappointment" by President E. Spencer Miller in the company's annual report, Miller declared that for the "first time in modern Maine Central history" the road can look to a future bright with promise of expansion, more volume of traffic and extensive growth probabilities.

Paper mill expansions in Maine were the basis for optimism.

The Maine Central earned \$629,243 after taxes, compared with \$641,237 in 1962. Severe winter storms and rate reductions were factors in earnings declines, the report stated. Freight revenue was down \$640,207 from 1962, although net ton miles of freight handled was up about one per cent.

FOREIGN TRADE

Plans for a "Maine Room" for display of Maine manufactured goods aboard a vessel which will visit some 52 ports to stimulate American products in foreign trade were outlined by Edward Langlois, manager, Maine Port Authority, at a meeting of the Industrial Development Council of Maine at Poland Spring Inn. The newly-formed Maine World Trade Council and the Port Authority originated the plan for Maine industry participation in the program.

The Department of Economic Development has under consideration sending a representative on the four cruises which will begin next November. The schedule calls for stops at ports in the Scandinavian countries, the Mediterranean, the Indian Ocean, Australia and South America.

Meanwhile, the Department of Agriculture's Foreign Trade Director, Hildreth G. Hawes, had announced that contracts for \$2,000,000 in Maine agricultural products were acquired during a recent cruise of the Maine Maritime Academy's training ship "State of Maine" in the Caribbean.

IT HAPPENED IN....

NORTH ANSON:

Twice destroyed by fire during its fifty-odd years of operation, the North Anson Reel Co. has resumed production in a new 70,000 square-foot plant, here. Products include cable reels, flatware, duck-pins, croquet sets, crating, shook, boxes.

PRESQUE ISLE:

Scheduled passenger flights five days per week from Presque Isle to Boston have been announced by P. and M. Flying Service. The six-passenger Aztec plane will stop upon request at Houlton, Millinocket, Augusta and Portland the proprietor, John Philbrick, said.

MADAWASKA:

Fraser Companies, Limited, of Edmundston, N. B., and its Madawaska subsidiary, Fraser Paper, Limited, increased sales for 1963 to \$61,862,028, from \$59,304,412 in 1962. Net profit of \$4,187,572 resulted in dividends of \$1.88 per share, compared with \$1.90 in 1962.

VEAZIE:

A \$3 million steam turbine installation is nearing completion at the Bangor Hydro-Electric Company's Graham station, here. The unit, expected to be operative July 1, has a capacity of 29,500 kilowatts.

BATH:

Current contracts for five large frigates and four escorts assure normal or better than normal employment well in to 1965 at the Bath Iron Works shipyard here, President John R. Newell said in the company's annual report.

LEWISTON:

The Lewiston Machine Co. has designed and produced a drier which, it is said, reduces the drying time of shoe lasts from 24 hours to one or two hours.

WESTBROOK:

The 110-year-old S. D. Warren Company established a month's production record with the shipment of 19,960 tons of paper in January, 1964. Dollar sales totalled approximately \$7.75 million but profits were below some other months "due to higher costs," according to the firm's publication, *Warren's Standard*. The company expended \$8 million for modernization in 1962; \$16½ million in 1963 and has scheduled \$7 million for this year. Warren's plants are located at Cumberland Mills and Gardiner, Maine.

PORTLAND:

For the second consecutive year the Greater Portland Chamber of Commerce fire safety program was grand award winner in the National Inter-Chamber Fire Safety Contest sponsored by the Chamber of Commerce of the United States.

WATERVILLE:

Bird & Son became the third firm operating in Industrial Park here, when the firm's 46,000 square foot plant began production of corrugated shipping cartons and shoe boxes in March. Other Park occupants are Fox & Ginn, truck terminal, and Keyes Fibre Company's Machine Shop Division. Bird & Son also operates a shoe box plant in Lewiston and produces a variety of products in plants in other states.

RUMFORD:

The Oxford Paper Company's \$50 million five-year expansion and modernization program utilized \$14.5 million in construction and new equipment in 1963; anticipates expenditure of \$20 million this year in its Rumford plant. The company also has plants in Lawrence, Mass. and West Carrollton, Ohio. Paper shipments for 1963 set a record of 310,686 tons, 1½ per cent above 1962. Net sales and profits were lower than for 1962, due to prices and construction expenditures, President William H. Chisholm said in the company's annual report.

SANFORD:

Industrial payrolls here totalled \$10,850,000 for 1963, the Sanford-Springvale Chamber of Commerce announced. In 1962 Sanford industrial payrolls topped \$10 million for the first time since 1955.

WOODLAND:

Fish ladders on the St. Croix River are scheduled for construction at a cost of \$296,063, at the Woodland and Kelleyland dam sites. The Interior Department has made \$195,402 available, the remainder to be provided by the Maine Department of Inland Fisheries and Game, \$25,661, and the St. Croix-Georgia Pacific Co., \$75,000.

WATERVILLE:

Start-up of a new plant in Sacramento, California was a principal factor in a profit drop from \$1,790,591 in 1962 to \$1,193,672, the Keyes Fibre Company annual report for 1963 revealed. In addition to its Waterville and Sacramento units the company operates plants in Hammond, Indiana; Viul, Norway, and owns 50 per cent of Canadian Keyes Fibre Co.

AUGUSTA:

Only ten states topped Maine's 7.1 per cent rise in personal income for 1963, compared with 1962, the magazine *Business Week* reported. The average rise for the nation was 5.4 per cent.

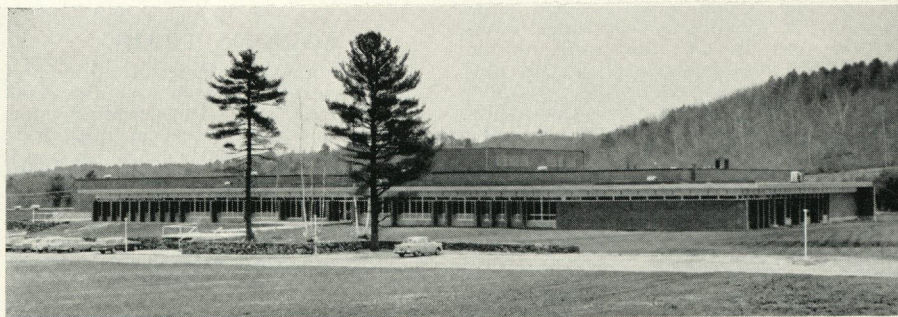
LIVERMORE FALLS:

The nation's largest pulp and paper producer, International Paper Co., reached a record 5,269,738-ton production in 1963, with earnings of \$69,422,357 as compared with \$67,055,441 in 1962. The company has undertaken a major expansion in its plants in this area.

BIDDEFORD:

The Biddeford-Sanford area, with an unemployment figure of less than 5 per cent, has been removed from the "depressed area" list by the Area Redevelopment Administration. Five years ago this area's unemployment rate was more than 21 per cent.

The *Portland Press Herald* commented: "Acknowledging the useful role played by the Area Redevelopment Administration with its loan program, the X factor in Sanford and Biddeford was desire, the sheer determination of its civic leaders to rescue their economies from disaster. And you can't buy that with money."



FOR SALE OR LEASE: Raytheon Company Plant, Lewiston, Maine; 90 acres industrially zoned, adjacent to Maine Turnpike; Buildings 116,000 square feet, completed 1961; Paved parking for 550 cars; "Worker productivity at Lewiston is better than average," Work Factor Company audit. For complete details contact Paul Tetzlaff, Jr., Director of Real Estate Management, Raytheon Company, Lexington 73, Mass.; Samuel Michael, Director of Industrial Development, Lewiston City Building, Lewiston, Maine, or Arthur R. Austin, Acting Director, Industrial Division, Department of Economic Development, State Office Building, Augusta, Maine.

MAINE DEVELOPMENTS

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Standish K. Bachman, Commissioner

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